

6 August 1982

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : Director of Central Intelligence

SUBJECT : Rebuilding CI Capabilities

1. [] were in this morning to urge that we react to two prospective budget actions which would cut across our recommendation on the rebuilding of CI capabilities as laid out in the SIG study.


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2. The first one is the failure to earmark an increase in authorized personnel for FBI counterintelligence purposes. They believe that Senators Inouye and Stevens should be talked to on this in the light of our concern about the threat, particularly the technology transfer threat, and the program to enhance countermeasures against the hostile intelligence threat. The issue is whether this increase could be shifted from counterintelligence to law enforcement, and the argument that I made is that continued use of our technology could develop into a mortal threat to the nation, whereas a little extra law enforcement effort measured against the huge law enforcement capability which exists across the nation at all levels of government would not in any way be of comparable significance.

3. The second issue concerns the 1984 budget in which the Justice Department has substantially reduced the FBI buildup request including stripping away all the additional agents. This, as you realize, comes directly across the first point made in my letter to the President about the need to reverse the decline in the ratio of FBI counterintelligence officers to known Soviet Bloc intelligence officers. [] is drafting a letter for me to send to Smith, Schmultz, and Webster on this. I will try to sign it before I leave and follow up with a telephone call on my return. Meanwhile, Bill Clark is prepared to follow through. Perhaps you will have an opportunity to get him geared to do this while I am away.

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William J. Casey

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TOP SECRET